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- directors' reports, committees, by-laws, list of members, trade rules and trade statistics, etc.* (Boston: Chamber of Commerce. 1918. Pp. 291.)
- Essentials in exporting.* (New York: Austin Baldwin & Co. 1918. Pp. 24.)
- Export trade combinations under the Webb law, approved April 10, 1918.* (New York: Guaranty Trust Co. 1918. Pp. 46.)
- International trade in concentrated cattle foods.* (Rome: Intern. Inst. Agriculture. 1918. Pp. 73. 1.50 fr.)
- Official report of the fifth national foreign trade convention.* (New York: Nat. Foreign Trade Convention, Hanover Sq. 1918. Pp. 581. \$2.)
- The world's trade in hides, skins and leather.* (Washington: Tanners' Council of the U. S. A. 1919. Pp. 62.)

## Accounting, Business Methods, Investments, and the Exchanges

*Principles of Business.* By CHARLES W. GERSTENBERG. (New York: Prentice-Hall. 1918. Pp. xiv, 821. \$3.00.)

While the appearance of this work is not a new departure in business books, it approaches one because of the author's more than usual success in compressing into a single volume material that has usually defied presentation even in several volumes. It gives in brief yet surprisingly comprehensive form a statement of the best business practice, with the reasons therefor, in business organization, finance, management, purchasing, advertising, selling, and accounting. "This book I have written," says the author in his preface, "for the experienced business man and for the young man just stepping out into business life"; for the former because "he needs to have his vision broadened . . . and to be shown the business machine as a whole"; for the latter because, first, he needs to be shown before entering into business all the elements of business brought together into a whole in which the functioning of each element may be seen as a part of the whole, and because, second, "the young student should have his new studies connected with his studies in the sciences and arts that have been pursued in the preparatory school or in the university college of pure arts and sciences."

Considering business as an art in which successful practice must be based upon rules of technique, the "principles of business," the author proceeds to set down these rules and explain their significance. As here set forth they run nearly the whole gamut of busi-

ness activity from the more general questions involved in such matters as the form of organization and the method of financing a business unit down to such details as the use of the appeal to curiosity as a factor in advertising.

The author has accomplished his purpose so far as older business men are concerned with a considerable degree of success. The book will give the business man in any one of the major functional branches of business an insight into the significance of other branches and their relation to his own activities. For the young man about to enter into the beginner's narrow niche in the business world it may well perform a similar service.

The author is not so successful in relating either the study or the practice of business to "studies in the sciences and arts that have been pursued in the preparatory school or in the university college of pure arts and sciences." The connection between these studies he attempts to establish by means of five introductory chapters on *The Science of Business*, *The Environment of Business*, *The Social Sciences* (two chapters), and *The Scientific Method*.

The reviewer is uncertain just what the business man or the business student will get from these chapters. He is sure that the economist will be disappointed in them. The failure of the business world as a whole to link up business principles and business practice with sound social science, particularly sound economics, has been a source of uneasiness to economists for a long time. If the art of business is built upon the science of economics, or at any rate upon principles which are economic, as some of us have been telling our university classes for years, it ought to be easy to show how the "principles of business" are related to the principles of value and distribution which constitute so large a part of the economist's stock in trade. But the author has not done this. His account of the social sciences consists largely of a series of long and undigested quotations; one from Hobson on the service of science to the industrial arts and the limitations of economics in this connection, one from Giddings (inserted as a long footnote) on Spencer's sociological system, two expressing the views of Giddings and Hobson respectively on the possibility of useful statistical formulation in dealing with social problems, and a quotation from J. F. Johnson on business ethics. In addition to the quotations, economics receives about six pages, mainly devoted to the historical development of the science. Political science and law

receive seven pages between them, history comes in for about three pages, and sociology teaches in two sections (one quoted from the National Civic Federation) the scope and value of welfare work. It is, of course, not the amount of space that is significant, but the material that occupies it. This is the disappointing aspect of these chapters. The most careful study of these pages will fail to show even the most astute student of the social sciences, if he does not know already, how the "principles of business" as Gerstenberg conceives them are related in any important connection to the principles of any of the social sciences. They show only that the formulated principles of the social sciences are inexact and difficult of application in practical, everyday affairs.

More than that, the economist is bound to be disappointed in another direction. He is interested in the "social point of view," in the relation between business and the public welfare, while the business man is interested, from the nature of things, mainly in private profits, and has to give his attention chiefly to creating or appropriating them for himself if he is to remain a business man. Because of this difference in point of view, some of us have tried in our classes in economics to inject into the embryo business men who fill the benches in our class rooms something of the social viewpoint and the notion of a service ethics in business as a matter of living together in a society. It is nothing if not discouraging therefore to find this book beginning and ending with a notion of business that is summed up by its author in his preface as "profits brought home with all the resources of the living man" (paraphrasing Henry Ward Beecher). The only clear presentation of the obligations of the business man as a servant of society is found in the quotation from J. F. Johnson referred to above.

It is perhaps unfair to criticize the author for not doing that which he did not attempt to do. He does not pretend to have written a book in economics. In fact he distinguishes sharply between economics as the "social science of business" and a science of business which is not concerned with social questions, which, he says, is the field he cultivates in this book. If there is a place for a science of business efficiency, divorced alike from the social aspects of business, from questions of social ethics, and from adequate consideration of the dominance of the rights of the public to "interfere" for its own protection and to demand a business spirit more nearly that of the professions, then this book should fill admirably the need for a presentation of the principles of

such a science. The hard-pressed teacher in our growing university schools of commerce and finance may well find use for this book if he is willing to give up the effort to inflict the social point of view upon budding business men, is ready to cease the attempt to relate the study of business to the social science of economics, and is prepared to settle down to the teaching of business as a mere matter of profit making, with the public's part set forth merely as that of one "minority stockholder" in business (to use Gerstenberg's figure as given on pages 242-243), in which the capitalist is the majority stockholder and labor is on a par with the public as the other of two minority interests.

The book is not wholly devoid of effort to present the question of service as a dominating element in business. The trouble is that the occasional preachments on this subject appear as excrescences upon a work whose underlying assumption is that the modern, up-to-date business man always serves society because he makes more profits that way—the greater the service the bigger the profit. It is at any rate quite probable that the business man or student reader will leave the perusal of this book congratulating himself that he lives in an age when "in the long run the business man who makes his business conform to current social ideas on what is good and what is bad for society will make the most profits" (p. 11) without troubling himself to question the source of these ideas or worrying over the truth of the author's further assumption that "whatever injures society injures him" (the business man)—so long as the injury brings him a profit!

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#### NEW BOOKS

ALCORN, E. G. *The Alcorn system of modern bank bookkeeping and accounting.* (Columbus, O.: American Text Book Co. 1919. \$3.)

CODY, S. *Commercial tests and how to use them.* (Yonkers, N. Y.: World Book Co. 1919. Pp. 216.)

The author of this volume is secretary and managing director of the National Associated Schools of Scientific Business. He describes the tests that are applied to high school graduates who are employed in the United States employment service in New York City. Particular employments concerned are office boys, general clerks and sales people, stenographers, and bookkeepers. Nineteen tests are presented.

CROSS, J. J. and OUTHWAITE, L. *Personnel management. Topical outline and bibliography.* (Washington: Classification Division, Adjutant General's Office. Jan., 1919. Pp. 58.)